

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

119J0566

HOUSE BILL NO. 1307

Introduced by: Representatives Teupel, Klaudt, McCaulley, McLaughlin, and Peterson (Bill)
and Senators Knudson, Bogue, and McCracken

1 FOR AN ACT ENTITLED, An Act to revise the calculation of state aid to education.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 13-13-10.1 be amended to read as follows:

4 13-13-10.1. Terms used in this chapter mean:

5 (1) "Average daily membership," the average number of resident and nonresident
6 kindergarten through twelfth grade pupils enrolled in all schools operated by the
7 school district during the previous regular school year, minus average number of
8 pupils for whom the district receives tuition, except pupils described in subdivision
9 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the
10 average number of pupils for whom the district pays tuition;

11 (1A) Nonresident students who are in the care and custody of the Department of Social
12 Services, the Unified Judicial System, the Department of Corrections, or other state
13 agencies and are attending a public school may be included in the average daily
14 membership of the receiving district when enrolled in the receiving district. When
15 counting a student who meets these criteria in its general enrollment average daily



membership, the receiving district may begin the enrollment on the first day of attendance. The district of residence prior to the custodial transfer may not include students who meet these criteria in its general enrollment average daily membership after the student ceases to attend school in the resident district;

(2) "Adjusted average daily membership," calculated as follows:

~~(a) For districts with an average daily membership of two hundred or less, multiply 1.2 times the average daily membership;~~

~~(b) For districts with an average daily membership of less than six hundred, but greater than two hundred, raise the average daily membership to the 0.8293 power and multiply the result times 2.98;~~

~~(c) For districts with an average daily membership of six hundred or more, multiply 1.0 times their average daily membership;~~

(a) For each school district divide the average daily membership for grades kindergarten through eight by nine;

(b) For each school district divide the average daily membership for grades nine through twelve by four;

(c) If the result of step (a) is less than or equal to ten, multiply the average daily membership for grades kindergarten through eight by 1.3;

(d) If the result of step (a) is more than ten and less than or equal to 45, multiply the result of step (a) by -0.00857 and add 1.385714 to the product, and multiply that sum by the average daily membership for grades kindergarten through eight;

(e) If the result of step (a) is more than forty-five, multiply the average daily membership for grades kindergarten through eight by 1.0;

1 (f) However if there is more than one primary attendance center serving the same
2 grades, calculate steps (c), (d), or (e) separately for each primary attendance
3 center, unless the primary attendance centers are located in the same
4 municipality;

5 (g) If a school district serves an area of at least three hundred square miles or
6 operates a secondary attendance center that is at least seventeen miles from the
7 closest secondary attendance center operated by another public school district
8 and if the result of step (b) is less than or equal to ten, multiply the average
9 daily membership for grades nine through twelve by 1.4;

10 (h) If a school district serves an area of at least three hundred square miles or
11 operates a secondary attendance center that is at least seventeen miles from the
12 closest secondary attendance center operated by another public school district
13 and if the result of step (b) is more than ten and less than or equal to fifty,
14 multiply the average daily membership for grades nine through twelve by -
15 0.01 and add 1.5 to the product and multiply that sum by the average daily
16 membership in grades nine through twelve;

17 (i) For school districts not included in the criteria in steps (g) or (h), multiply the
18 average daily membership in grades nine through twelve by 1.0;

19 (j) adjusted daily membership is the sum of steps (c), (d), (e) or (f) and steps (g),
20 (h), or (i);

21 (3) "Index factor," is the annual percentage change in the consumer price index for urban
22 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
23 the United States Department of Labor for the year before the year immediately
24 preceding the year of adjustment or three percent, whichever is less;

- 1 (4) "Per student allocation," for school fiscal year 2004 is \$3,967.88. Each school fiscal
2 year thereafter, the per student allocation is the previous fiscal year's per student
3 allocation increased by the index factor;
- 4 (5) "Local need," the per student allocation multiplied by the adjusted average daily
5 membership;
- 6 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
7 applying the levies established pursuant to § 10-12-42;
- 8 (7) "General fund balance," the unreserved fund balance of the general fund, less general
9 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
10 out of the general fund for the previous school fiscal year;
- 11 (8) "General fund balance percentage," is a school district's general fund balance divided
12 by the school district's total general fund expenditures for the previous school fiscal
13 year, the quotient expressed as a percent;
- 14 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
15 2000. However, the general fund base percentage can never increase and can never
16 be less than twenty percent;
- 17 (10) "Allowable general fund balance," the fund base percentage multiplied by the
18 district's general fund expenditures in the previous school fiscal year;
- 19 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5
20 percentage points;
- 21 (12) "General fund exclusions," revenue a school district has received from the imposition
22 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
23 from gifts, contributions, grants, or donations; revenue a school district has received
24 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the

1 general fund set aside for a noninsurable judgment.

2 Section 2. For fiscal year 2006, the per student allocation shall be such that the same amount
3 of money is distributed through the state aid to education formula under the provisions of this
4 Act as under the state aid to education formula under the provisions of the state aid to education
5 formula as it existed prior to the implementation of this Act.

6 Section 3. The effective date of this Act is July 1, 2005.